

**JOINT FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MEETING
JUNE 13TH, 2017**

SIGN IN

**RON SIMPSON
TIM ELLIOTT
DON THOMPSON
BOB PICKERELL**

**PAUL JACKSTADT
GERALD WILLIAMS
DAN MCDOWELL
MAYOR HAGNAUER**

Alderman Simpson called the joint Finance & Economic Development Committee Meeting to order.

Motion by Jackstadt, second by Simpson to go into closed session. All Voted Yes. Motion Carried.

Motion by Simpson, second Jackstadt to come out of closed session. All Voted Yes. Motion Carried.

Simpson turned the meeting over to comptroller Oney.

Oney stated that revenue down about ½ million dollars, taxes 4.95 % increase which is \$400,000.00 and some thousand more than what we did last year. We had grants which we are not getting this year; the state is also cutting us out of state replacement which is \$400,000.00 and some thousand dollars. You will see that our income is ½ million less. The proposal of bringing the Police back into the cities insurance plan and start charging the employees for health insurance would be a savings of \$363,000.00 and some thousand dollars. We will also charge other employees more for their health. Fire is down because fire had a \$160,000.00 grant. The Mayor also decided to take out the 2 employee we had \$200,000.00 and sum budgeted for the police and fire. In Fire we also we added a new ambulance instead of adding a fireman. This is under the scenario if this would have happened May 1st. Now when we say 0 if they have Longevity they get that, Education, and other benefits is not included. If we did across the board increase it would be \$230,000.00 and the surplus would be completely gone. The scenario for the police in their current contract of 10% increase, 2% across the board, 10% increase in health care, we would be looking at a \$160,000.00 defecate.

Mayor stated that reduction of revenue is partly due to the lack of State funding.

Alderman McDowell questioned the reduction of license permits.

Comptroller stated that the Police Chief is aware of the numbers.

Alderman Elliott questioned the state pension funding.

Mayor stated that school district funded a back door referendum and it is due to expire in December and will hopefully piggy back on their tax at no extra cost to the people.

Oney stated that this won't make up for the 2.6 Million dollars and what this proposal get us into 60% funding rate and they have agreed to take what is called a service cost.

Oney stated that 6 captains/ Latinate with patrolman we have saved longevity. We have replace \$900,000.00 with \$65,000.00-\$78,000.00; we are paying half his salary in benefits. So by them coming to or plan would be a dramatic difference.

Oney explained the loss for the investment of the pension plan the city has to make up the difference no matter what.

Mayor stated that we are looking into new legislation, they are currently adding 13 more years for payment on the pension funds.

Oney stated that he added \$6,000.00 to the budget to allow 5 aldermen at \$1,200.00 each for to attend conference.

Oney stated that this is the best case scenario for the budget and I know that I am going to have to tweak it some.

Discussion by the Mayor, Council, and Comptroller Oney about sale tax revenue and real estate taxes.

Oney stated that the Finance Committee Chairman will need to call for a Public Hearing will need to be called on the next meeting for July 18th, 2017.

Motion by Jackstadt, second by Elliott to adjourn the Joint Finance & Economic Committee Meeting. All Voted Yes. Motion Carried.

Meeting Adjourned.